(d) A careful watch is being kept by supervisory officers on the activities of personnel of various agencies operating at Airport including Customs staff deployed for passenger clearance. Surprise visits by senior officers from the Customs House are being paid, and periodic rotations of officials of Customs in sensitive assignments being effected to prevent any nexus as feared. Instructions have also been issued to initiate stringent penal action if any official is found helping a passenger in smuggling of any dutiable goods.

Tax evasion by Maruti Udyog Ltd.

3124. SHRI K.M. SAIFULLAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Excise Department has detected tax evasion by the Maruti Udyog Ltd.;

(b) if so, the details thereof; and

(c) the action taken to settle the matter amicably at an early date?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes Sir. Five cases of alleged evasion of Central Excise duty amounting to Rs. 206.71 crores by M/s Maruti Udyog Ltd. have been detected during current financial year (upto June> 2001);

(c) Adjudication proceedings have been initiated by issuing show cause notices to M/s Maruti Udyog Limited for the alleged evasion.

Imposition of service tax on Karnataka Government Insurance Department

3125. SHRI K.C. KONDAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Central Excise has initiated proceedings under the provisions of the Finance Act, 1994 and directed Karnataka Government Insurance Department to register itself and pay service tax at 5 percent of the total amount received by it as premium;

(b) if so, whether Karnataka Government has requested to waive

the payment of service tax by the Karnataka Government Insurance Department; and

(c) the action, if any, taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir. Central Excise Commissionerate, Bangalore has initiated proceedings against Karnataka Government Insurance Department (KGID) to register itself and pay service tax on total premium collected by KGID for all vehicles.

(b) A letter has been received from Karnataka Government seeking exemption from levy of service tax on motor insurance activities of Karnataka Government.

(c) The matter is being examined and a suitable reply will be sent to Karnataka Government in due course.

Regional Rural Banks

†3126. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the performance of Regional Rural Banks;

(b) if so, the details thereof bank-wise and State-wise;

(c) whether some of these banks are facing serious financial crisis, if so, since when together with the reasons therefor; and

(d) the steps taken to make these Regional Rural Banks effective and viable so that the objectives of setting up of these banks could be achieved?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) The activities of Regional Rural Banks (RRBs) are monitored by Government, National Bank for Agriculture and Rural Development (NABARD) and the Sponsor Banks on an on-going basis. As per the monitoring

---

†Original notice of the question was received in Hindi.